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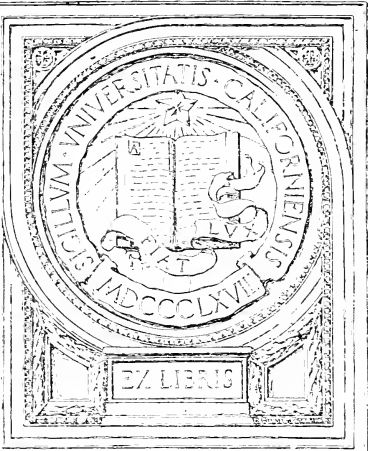
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All about the

NEW RENT ACT

For Tenant and Landlord

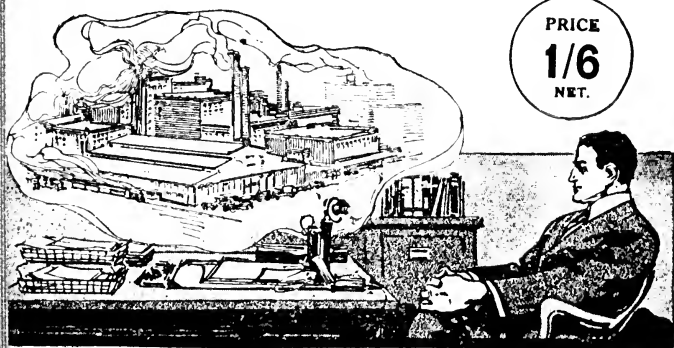
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OUR RENT PROBLEM SOLVED

HOW THE NEW RENT ACT AFFECTS YOU

By
GEO. W. BOWER
Solicitor

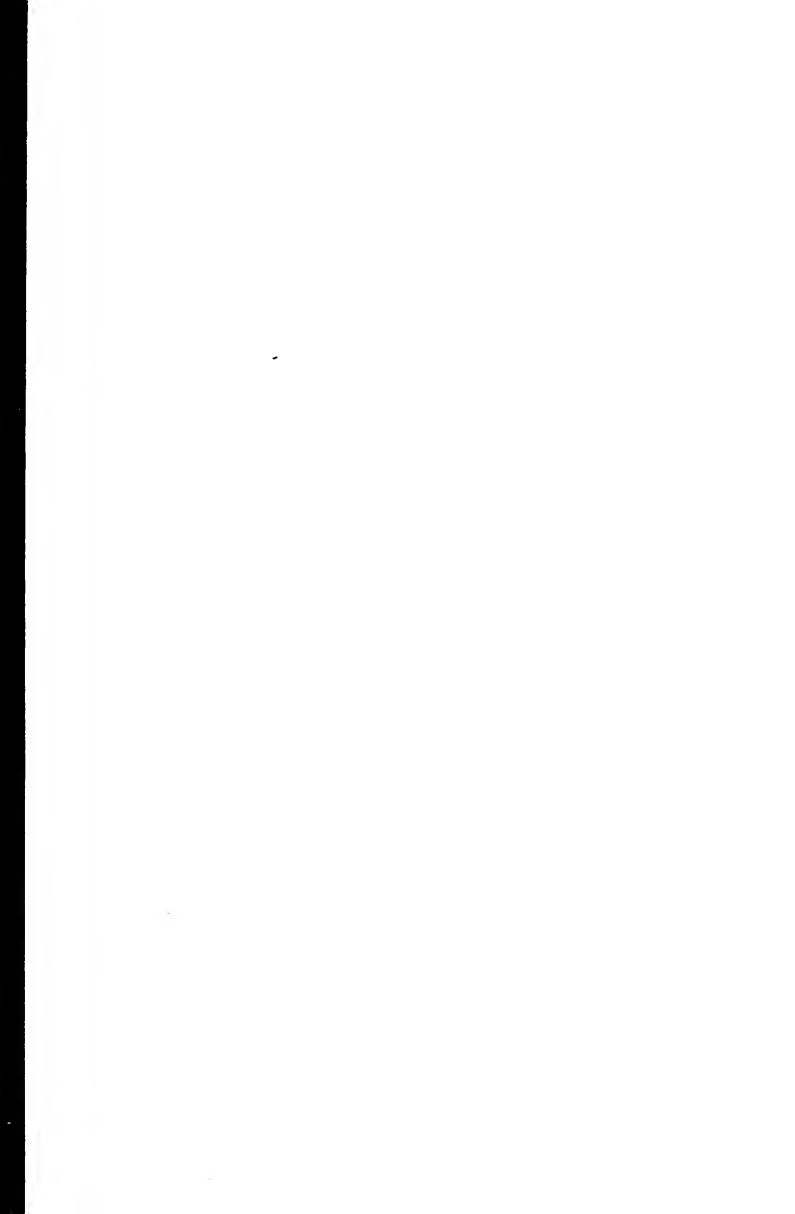
This book tells you everything you need to know about the New Act. It answers the puzzling questions: "Can my rent be raised" and "By how much?" It explains clearly the position of a tenant under threat of ejection. In addition it contains the complete text of the new Act, and throws light on many difficult situations in which landlord or tenant may find himself.



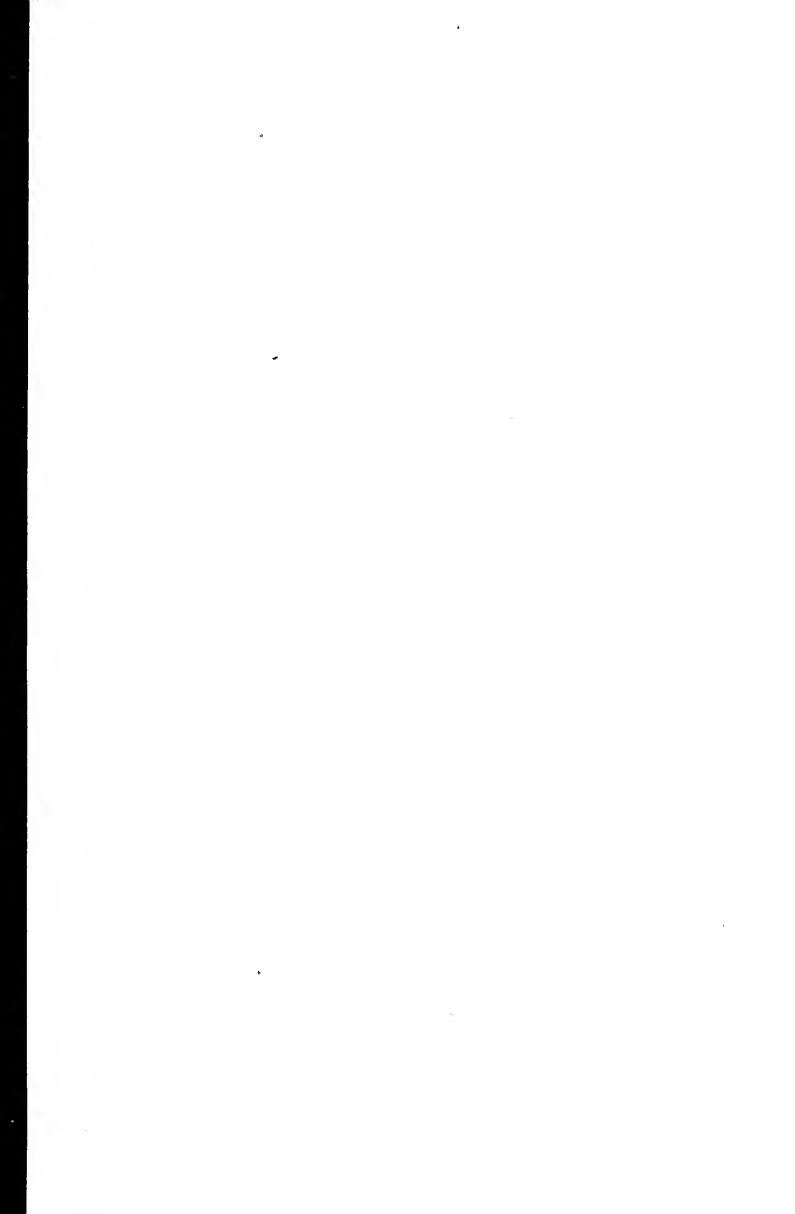
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V. SHAW CO. LTD.

LONDON, E.C. 4.



**HOW THE NEW RENT
ACT AFFECTS YOU**



HOW THE NEW RENT ACT AFFECTS YOU

BY
GEO. W. BOWER
Solicitor



A W. SHAW COMPANY LTD.
43-44 SHOE LANE
LONDON, E.C.4

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PREFACE

THE shortage of houses caused by the cessation of building during the war has created an abnormal demand for houseroom. Unless controlled in some manner, this demand would have assuredly led to a fierce competition among tenants, to an undue raising of rents, and to a heavy crop of evictions. This matter was dealt with by Emergency Legislation during the period in which it was anticipated there would be a shortage of houses.

The object of the new Act (which repeals five previous statutes) is to prevent profiteering in the smaller classes of house property, partly by forbidding the increase of rent payable by tenants in possession, and partly by prohibiting landlords from evicting tenants and letting the houses to others from whom they might demand higher rents, and generally from unnecessarily disturbing tenants in occupation in times of difficulty and distress.

The present Act attempts to deal with the various matters which in the former Acts have led to disputes by extending the Act, notably, to business premises ; eliminating the loose phrase, "some other ground," as the basis of an order for ejectment ; settling the vexed question as to the effect of a progressive rent ; clarifying the position in the case of a house converted into flats (the previous Acts having the result of stopping the conversion of certain houses into flats, as the only increase allowed was 6 per cent. on the outlay) ; and attempting to stop profiteering by tenants.

The Act extends the period of security for dwelling-houses for three years from July 2, 1920, subject to certain permitted increases of rent and of mortgage interest.

A copy of the Act is printed at the end of this book, in order that readers may have the actual text. The Act has been revised and passed in haste, and as a consequence there must be many

*

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points of doubtful meaning. In the construction of legislation of this emergency character the Court will first have regard to the plain meaning of the language used, yet since the Act restricts the rights of individuals arising from their mutual contracts and relationships, it will not unnecessarily extend this meaning.

In this Act the Government has endeavoured to hold the scales of Justice with a level poise by granting the landlord reasonable increases of rent to meet the increased cost of repairs, rates, and expenses of living, and by protecting the tenant against profiteering and any shady practices of the more unscrupulous section of the property-owning class.

This little book will enable both landlord and tenant to ascertain their rights and privileges under the new Act.

G. W. B.

LINCOLN'S INN,

July, 1920.

HOW THE NEW RENT ACT AFFECTS YOU

CHAPTER I

THE FACTS AT A GLANCE

THE title of the Act is the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, and is to **continue in force until June 24, 1923**. But note that for **business premises** under the Act (**not** also used as dwelling-houses) the duration is to **June 24, 1921**.

The Act repeals the former Emergency Legislation, but some knowledge of the classes of houses respectively comprised in the repealed Acts and the increases of rent thereby allowed is necessary, as by Section 14 of the Act all moneys paid in excess of those increases are recoverable, except as mentioned below.

The following table shows what dwelling-houses are included in the various Acts, those in the Act of 1915 being classified throughout this book by the letter A, those in the 1919 Act by the letter B, and those in the 1920 Act by the letter C. This table is followed by others showing the application of the Act as regards permitted increases of rent.

The Act does **not** apply to **increases of rent** made:

As to premises in Class B, **on or before December 25, 1918**.

As to premises in Class C, **on or before March 25, 1920**.

Increases of rent so made remain legal and recoverable, although in excess of those permitted by the Act.

TABLE I.
SHOWING CLASSES OF DWELLING-HOUSES.

NOTE.

STANDARD RENT = Rent per annum on August 3, 1914 (see below (a)).

RATEABLE VALUE = Rateable value on ditto or when first assessed.

DWELLING-HOUSE includes part of a house let as a separate dwelling-house.*

Under the Act of	Metropolitan Police District.	Scotland.	Elsewhere.	Classed in this Book as
Where either the standard rent † or rateable value did not exceed—				
1915	£35	£30	£26	A
Where both exceeded above figures and either did not exceed—				
1919	£70	£60	£52	B
Where both exceed above figures and either does not exceed—				
1920	£105	£90	£78	C

* Dwelling-house does not include—

- (1) Premises let at rent which includes payment for board and attendance.
- (2) Dwelling-house let with land (other than site of house), which land is of rateable value of one-quarter or more of rateable value of house.
- (3) Ground rents, i.e. where rent is less than two-thirds of rateable value.
- (4) New houses and flats constructed after April 2, 1919, or then being constructed.

† In case of progressive rent the maximum is the standard.

See pp. 12, 16 for furnished premises.

NOTE.—Dwelling-house once within the Act, always within, i.e. no alteration of rateable value or rent will affect the position.

(a) If premises not then let, the rent when last let before August 3, 1914, or if never previously let, the rent when first let. If rent is less than rateable value, then the standard rent is the rateable value.

TABLE II.

SHOWING PERMITTED INCREASES UNDER
1915 AND 1919 ACTS.

- i. Sum equal to increase in rates.
- ii. Structural alterations, 6 per cent. on cost.
- iii. 10 per cent. on standard rent, Class B only.

UNDER THE NEW ACT, 1920.

NOTE.—*Net rent* means standard rent, less rates if paid by landlord ; in other cases it means standard rent.

ALL CLASSES OF DWELLING-HOUSES.*

- †1. On **cost of improvements** or structural alterations since August 4, 1914 :—
 - Made **before** the Act (i.e. July 2, 1920) **£6** per cent. of such cost per annum.
 - Made **after** the Act, **£8** per cent. of such cost per annum.
2. Sum equal to **increase in current rates** ‡ paid by landlord over corresponding amount of the period, including August 3, 1914 (or when rates first paid).

HOUSES IN CLASS C.

- 3a. **Fifteen per cent.** of the **net** rent.

HOUSES IN CLASSES A AND B.

- 3b. **The like**, but during one year from **July 2, 1920**, addition under this heading **not to exceed £5** per cent.

ALL CLASSES OF HOUSES.

4. A sum **not exceeding 25 per cent.** of **net** rent if landlord is wholly responsible for all repairs. If the tenant is liable for all repairs he is relieved of this payment, but if the landlord and tenant each are liable for part of the repairs a proportionate reduction must be made off the item by the landlord.

* Also includes dwelling-house used for combined purpose of residence and business.

† Not decorations or repairs. Tenant may apply to County Court for a reduction in this item if outlay not justified.

‡ Includes water rate.

TABLE III.

ILLUSTRATING INCREASE OF RENT UNDER
THE 1920 RENT ACT.

HOUSE CLASS A.

(Landlord Paying Rates and Taxes and Doing All Repairs.)

	s.	d.
Standard rent (weekly)	7	6
Rates paid by landlord, increased from 2s. to 2s. 6d.	0	6
* 5 per cent. on net rent, 5s. 6d.	0	3
25 per cent. on net rent, landlord doing all repairs	1	4½
Total increased rent up to July 2, 1921 ..	9	7½

* Can be raised to 15 per cent. after July 2, 1921.

HOUSE CLASS B.

(Tenant Paying Rates and Taxes and Landlord Doing All Repairs.)

	£	s.	d.
Standard rent, London area	50	0	0
* 5 per cent. on net rent—i.e. standard rent ..	2	10	0
25 per cent. on net rent	12	10	0
Total increased rent to July 2, 1921 ..	£65	0	0

* Can be raised to 15 per cent. after July 2, 1921.

HOUSE CLASS C.

(Tenant Paying Rates and Taxes and Doing All Repairs.)

	£	s.	d.
Standard rent, London area	100	0	0
Structural alterations after the Act, costing £300,			
8 per cent. on £300	24	0	0
15 per cent. on net rent	15	0	0
Total increased rent	£139	0	0

TABLE IV.

SHOWING THE APPLICATION OF THE ACT TO BUSINESS PREMISES.

Business premises—Use of premises for Business, Trade, Profession, Public service.	The words, "dwelling-house," "house," "dwelling," in the Act are to be read as including references to any such premises.
--	--

therefore—

Business premises used as above are in the Act if—

Either the standard rent or the rateable value is not more than—

Metropolitan Police District.	Scotland.	Elsewhere.
£105	£90	£78

NOTE.—**STANDARD RENT**—Rent per annum on August 3, 1914 (see p. 8).
RATEABLE VALUE—Rateable value on the same day.

TABLE V.

SHOWING PERMITTED INCREASES OF RENT OF BUSINESS PREMISES.

- (a) On cost of improvements or structural alterations since August 4, 1914—
 - Made before the Act, i.e. July 2, 1920 **£6** per cent. per annum.
 - Made after the Act **£8**
- (b) Sum equal to increase in current rates paid by landlord over corresponding amount of the period including August 3, 1914 (or when rates first paid).
- (c) 35 per cent. of the net rent.*
- (d) 25 per cent. of the net rent if landlord is wholly responsible for all repairs. If the tenant is liable for all repairs he is relieved of this payment, but if the landlord and tenant each are liable for part of the repairs a proportionate reduction must be made off the item by the landlord.

* *Net rent* means standard rent less the rates, if paid by landlord; in other cases it means standard rent.

CHAPTER II

IF YOU ARE A LANDLORD

YOU probably feel compelled to take advantage of the increases of rent permitted by the Act, if not to recover possession.

You have now no right of distress or ejection (except under the Act) in respect of (a) dwelling-houses or part thereof let as a separate dwelling to which the Act applies (see Table, p. 8), including therein dwelling-houses used also for business or professional purposes, until June 24, 1923; and (b) purely business or professional premises under the Act (see Table, p. 11) until June 24, 1921. Note that premises let for the public service are within the Act, but the following are not: (1) Premises let at less than two-thirds of the rateable value (such as ground rents); (2) new houses and flats constructed after or in course of construction on April 2, 1920; (3) premises in a market or fair when rent regulated by statute or charter; (4) lettings, including rent for board and attendance. The Act only restricts profiteering in the letting of furnished apartments, but does not restrict the landlord's rights or powers of ejection.

If you are an apartment house-keeper, or let your house furnished, you must bear in mind that any sum exceeding 25 per cent. of the "profits" as compared with the amount you would have obtained for a similar letting in the year ending August 3, 1914, may be declared by the County Court to be irrecoverable. This 25 per cent. maximum is purely on the profits and not on the rent. An exorbitant charge for furnished apartments is now made a criminal offence.

As to increases of rent, consult the tables, and when the tenancy has expired you may prepare and serve a notice in the proper form (p. 40), claiming certain increases of rent. The form should be filled up completely and with care. Any false or misleading statement renders you liable to a fine of £10, unless you show the Court the inaccuracy was made innocently and without intent to deceive. The notice should be served by some

competent person, who should make a written note on a true copy of the notice of the date and place of service. If you are not serving a notice at once, take care not to accept rent for more than three months after the expiration of your notice to quit (if any), as this would renew the tenancy on the old terms. (See pp. 9 and 11 for the increases of rent allowable.) If you compound for rates, you may, nevertheless, charge the whole amount of the increase in rates. The increase is on the current rates. As regards dwelling-houses in Classes A and B, note that only 5 per cent. of the 15 per cent. item can be claimed up to July 2, 1920. Make a note in your diary four weeks before that date to serve a fresh notice for the remaining 10 per cent. As regards the 25 per cent. increase, you must modify this if the tenant is liable for any repairs. In this case, serve your notice with a courteous letter, and endeavour to come to some arrangement, otherwise the matter must be settled by the County Court.

Any increase of rent beyond the standard in excess of those allowed by the Act or any repealed Act is recoverable by the tenant, unless made prior to the dates mentioned on page 7.

After three months the tenant or the Sanitary Authority may apply to the County Court to suspend the 25 per cent. increase if the house is not in a reasonable state of repair, when the Court may make an order to suspend the increase.

If you wish to obtain possession, note that the County Court is not in any case bound to give it to you. It is a matter in its discretion. You must be within one of the grounds specified and make out as reasonable a case as you can.

Note that alternative accommodation is to be reasonably equivalent as regards rent and suitability, but that this alternative accommodation is not a necessity in the cases of (1) employee tenant who has ceased to be employed; (2) agricultural labourer; (3) ex-soldier landlord who offers the tenant reasonable accommodation on the same premises; (4) ex-soldier landlord who gave up occupation for war service; (5) landlords who became such prior to September 30, 1917, or in classes of houses B prior to March 5, 1919, or in classes C prior to May 20, 1920; (6) former tenant who gave up for war service. Note that for purely business premises you must show that you require them for business purposes besides offering or showing alternative accommodation. Read generally the advice to tenants, and apply it to your own case.

CHAPTER III

IF YOU ARE A TENANT

FIRST make sure you are a tenant, and not a caretaker or licensee. It is immaterial whether your tenancy began before or after the Act.

Your next point is to ascertain if your abode is within the limits of the Act (see Table on p. 8). Remember that the Act applies to a dwelling, not necessarily a separate house; it may be a flat, a few rooms, or a single room let unfurnished, without board and lodging. For furnished apartments see p. 16.

Be Sure your Tenancy has Expired.

If your term of tenancy is still running, you cannot be interfered with, except for a breach of agreement.

The Act restricts, not extends, the privileges and powers of landlords in this respect. It should be obvious that, if an agreement is running, the landlord should not be allowed to break this agreement and enforce better terms. The previous Acts gave him no such power; but in the present Act all misunderstanding is cleared away by the clear statement that nothing in the Act is to permit any increase of rent before the period when (but for the Act) the landlord would be entitled to obtain possession.

If, therefore, the term of your tenancy is unexpired, or if the tenancy is an annual one, or otherwise requires a notice to determine, the landlord must await the expiration or due termination of the tenancy before he can take advantage of the Act. In this connection note that while the termination of a weekly tenancy by a week's notice is a simple matter, the termination of a tenancy in which the rent is paid quarterly may involve a long delay. You must therefore look at your tenancy agreement. This may be the usual three or five years' period. The agreement may stipulate that the tenancy is to continue

after such period subject to a certain notice. If it is silent on this point and you have remained on as a tenant without any further agreement or arrangement, or have become a tenant without an agreement as to the term, you are a yearly tenant provided you pay your rent not more often than quarterly, and as such you are entitled to six months' notice, to expire on the quarter you first became a tenant or on the quarter your term (if any) expired.

Make Sure the Landlord's Notice is in Order.

Having satisfied yourself that the landlord has at length placed himself in the position to move under the Act, you await his next step. Remember that if you had a written tenancy agreement you must still conform to its provisions although the term has expired.

This next step will probably be a notice of increase of rent under the Act. This must be—

- (1) One week's notice if in respect of increase of rates ;
- (2) Four weeks' notice if on other grounds.

You should check this with the form supplied by the Act, to ascertain if it complies therewith (see p. 40). This form is so drawn as to show the various increases demanded in separate paragraphs, with the percentages clearly set out.

The increases should be checked with the table on p. 9. They are a percentage of 6 or 8 per cent. on structural alterations or improvements, an amount equal to any increase in rates paid by the landlord, a clear bonus of 15 per cent. on the *net* rent, and a further addition of 25 per cent. if the landlord is liable for all repairs, or less if the tenant does part of the repairs. Remember that if your house is used for the double purpose of your home and business premises, you are nevertheless entitled to treat it as a dwelling-house only. (Business premises used exclusively as such will be referred to later.)

If you are liable for some of the repairs, a reduction of the 25 per cent. should be allowed to you. It would be well to agree this with the landlord, as, failing agreement, the County Court would have to settle the matter. A claim for reduction under this heading should be advanced with caution. The Act provides that a tenant holding over does so on the terms and conditions of his tenancy, and this should be consulted on the question of liability for repairs.

If your house is in Class A or B, the percentage under the heading of the 15 per cent. bonus should be 5 per cent. for the year ending July 2, 1921, when the extra 10 per cent. can be added.

Be careful to note that the bonus 15 per cent. and the addition of 25 per cent. are based on the *net* rent. This means the standard rent if you pay the rates, but if these are paid by the landlord a deduction for them is made from the standard rent to arrive at the net rent. If you are an employee of a railway or other public company in possession of one of their dwellings you are liable to an increase of rent apart from the Act under any agreement for equalizing remuneration, as the Act does not apply to these cases.

While on the point of increased rent, it would be well to satisfy yourself as to the past increases (if any). For this purpose you should note the amount of the standard rent mentioned in the notice. (*You are entitled to ask the landlord what the standard rent is at any time, and he is bound to tell you.*) Look then at the table on p. 9 to ascertain if any increase paid by you is in excess of that allowed by the previous and present Acts. If you find any such excess, you can demand its repayment (not being increases in Classes B or C before the dates mentioned on p. 7).

Should there be none such, and the notice is found to be in order, it remains for you to pay up cheerfully.

You may take action, not earlier than three months after any of the said increases, if you think that the house is not reasonably fit for human habitation or in a reasonable state of repair. If the County Court is satisfied that this is the case, and that the condition of the house is not due to your default or neglect, it shall order the increase of rent to be suspended until the house is repaired. You can obtain a certificate from the sanitary authority for one shilling.

It may be that your home consists of a dwelling-house, to which the Act applies, or a part thereof with the use of furniture; if so, there is a certain margin of profit, and no more, allowed to the landlord by the Act.

Profit Must Not be more than 25 Per Cent. for Furnished Premises.

This profit must not be more than 25 per cent. in excess of the profit which would have been reasonable for such a letting on August 3, 1914. You are entitled to obtain relief from the County Court if the terms are excessive within the above meaning, and the County Court has the power to reduce the rent and order the repayment of the excess, and, further, the landlord can be fined £100 on summary conviction. The restriction on the right of ejectment is not made applicable to furnished premises.

As to Business Premises.

On going to your business premises you may receive another unwelcome notice of intention to increase the rent of these also.

You should then follow out step by step the checking process above mentioned. Satisfy yourself that the tenancy of the business offices or shop has expired; if not, the notice is bad.

Ascertain from Table on p. 11 that you are entitled to protection under the Act, and then check the percentages. There are here four grounds of increase: (1) Interest on cost of structural alterations; (2) increases corresponding to increases in rates, both as in the case of dwelling-houses; (3) 35 per cent. on the *net* rent; (4) the 25 per cent. as in the case of dwelling-houses (see p. 11).

You will observe that the last two alone amount to 60 per cent. if no repairs are done by you. Read again the note as to repairs above mentioned and the reference to the phrase "net rent" before being finally satisfied that the demand is in order.

Observe generally that no landlord can impose any additional burden on a tenant in any indirect way, such as throwing a greater liability on him for repairs, etc. All such steps count as increases of rent. A fine or premium can be taken, however, for a lease of fourteen years or more.

How the New Act affects Ejectment.

It may be that the landlord's move may be more unpleasant than mere notices of increased rent. He may desire to eject you. The Act has made your position in this respect during the next three years almost impregnable. The landlord's right of distress is taken away. If he wants possession he must take the matter to the County Court, and the Judge cannot give him an order except on certain specified grounds, and then only if in his discretion he thinks fit.

The grounds for ejectment are, in the first place, a series of acts amounting to default by the tenant, such as non-payment of the rent or breach of the agreement or nuisance or damage committed. Many tenants habitually pay their rent in arrear, but unless they have an agreement to this effect an order for ejectment might be made against them. Other grounds are a notice to quit given by the tenant and action taken thereon by the land'ord, such as a sale or relet, as the result of which he would, in the opinion of the Court, be seriously prejudiced if he could not obtain possession. (It has been held that a landlord is not prevented from recovering double rent under the

Distress for Rent Act, 1737, where a tenant having given notice to quit remained in possession.)

The next ground for ejection (subsection (d) of section 5) is the one more frequently relied upon by the landlord, namely, that the dwelling-house is reasonably required by him and there is reasonable alternative accommodation for you. Note that the landlord may require the house for himself or some person *bonâ fide* residing or to reside with him, or some person in the whole-time employment of the landlord or of a tenant of his. The alternative accommodation is to be reasonably equivalent as regards rent and suitability in all respects.

The section should be closely scrutinized and every word weighed by you if you are in the unfortunate position of having to consult it seriously. Note that a landlord who is a local authority is no better off than a private individual.

If the landlord has served in H.M. Forces and requires the dwelling-house for his own occupation, and offers you reasonable accommodation in the house on reasonable terms, the Court can make the order.

Alternative Accommodation Not Always Required.

There are certain cases where the existence of alternative accommodation is not required. They are :

1. If the proposed new tenant was in fact the former tenant who gave up possession in consequence of his services in H.M. Forces.
2. In the case of the tenant who was in the employ of the landlord or former landlord, and became the tenant as such, and has ceased to be in that employment.
3. The dwelling is required for occupation of a person engaged in work necessary for the proper working of an agricultural holding.
4. When the landlord was formerly in occupation, and gave up because of his war service.
5. When the landlord became such prior to September 30, 1917, or in the case of a dwelling-house Class B (see p. 8) prior to March 5, 1919, or in the case of a dwelling-house Class C prior to May 20, 1920, and requires possession for himself, and the Court is of opinion that greater hardship would be caused by refusing an order for possession than by granting it.

The whole of the provisions in the Act on ejection are very loosely connected, and bear evidence of additions tacked on to the whole in the loosest possible manner, and, having regard to the fact that they apply also to business premises, they are bound to bring a heavy crop of cases to the Courts and lead to many hardships and inconsistencies.

I can only advise you again to study the section and make the best of your case.

If you have to go to the Court, endeavour to show the Judge that you have done your best to find other accommodation, and are a reasonable person desiring to do to others as you would wish others to do to you.

It may be that you see your way to depart to another house ; you may have bought a house and desire to recover some of the enhanced price paid for it, or may see a chance to obtain a premium or some compensation on leaving. You may freely make a bargain with your landlord, and receive a payment or premium in consideration of giving him possession. This you may do whether your tenancy has expired or not. Also, if your tenancy term is still running, you may assign it for a consideration on obtaining the landlord's consent, if such should be requisite under your agreement.

But if you are holding over, you may not assign to any other person for a consideration, premium, or for key-money. This would be a criminal offence.

If your landlord sells the house, the purchaser obtains no further rights than his vendor. He is even in a worse position as regards ejection unless he purchased before the dates above mentioned.

And if, on the other hand, you are a sub-tenant, you are entitled to the same protection against the claims and demands of your landlord's lessor as against your landlord.

CHAPTER IV

IF YOU ARE A MORTGAGOR

THE Act applies to every mortgage where the mortgaged property consists of or comprises one or more dwelling-houses or business premises to which the Act applies, or any interest therein, except that it shall not apply :

- (a) To any mortgage comprising other property if the rateable value of the small dwelling-house is less than one-tenth of the rateable value of the whole of the mortgaged premises ;
- (b) To an equitable charge by deposit of title deeds or any other equitable charge ; or
- (c) To mortgages created after July 2, 1920 ; or
- (d) Mortgages of ground rents.

So long as interest is paid, the covenants of the mortgage and any prior encumbrance duly performed and the property kept in repair, the mortgagee is prohibited from calling in the mortgage. This provision does not apply to a mortgage whereby the principal sum is repayable over a period of ten years, or to a power of sale exercisable by a mortgagee who on March 25, 1920, was in possession, or to the exercise of powers by consent of the mortgagor. If a mortgage of leasehold property is, in the opinion of the Court, in jeopardy, the Court may make an order.

The mortgagee is permitted to increase the rate of interest by 1 per cent. over the standard rate of interest (i.e. the rate on August 3, 1914, or, in the case of a mortgage since that date, on the date of the creation of mortgage). No increase can be made until the principal sum has fallen due. (In the absence of any other agreement mortgagees have to give three months' notice calling in the principal.)

No increase can be made which will bring the rate over 6½ per cent. per annum, and (except in the case of a mortgage of property

under Class C [see Table, p. 8]) the increase up to July 2, 1921, shall not exceed $\frac{1}{2}$ per cent., with another $\frac{1}{2}$ per cent. at the end of the first year. All increases of interest beyond the permitted amounts since March 25, 1920, are irrecoverable. These increases are in substitution to those permitted by the repealed Acts.

There is a provision in the Act allowing for the apportionment of the mortgage principal in the case of a mortgage on one or more dwelling-houses within the Act, and other land where the rateable value of such dwelling-houses is more than one-tenth of the rateable value of the land. This may be done by agreement or arbitration, and the effect thereof is to create a mortgage of the dwelling-houses to which the Act will apply.

The Act does not apply to a mortgage of a house occupied by the mortgagor, as it cannot be said to be let as required by Section 12.



INCREASE OF RENT AND MORTGAGE INTEREST (RESTRICTIONS ACT) 1920

10 & 11 GEO. 5. CH. 17.

ARRANGEMENT OF SECTIONS.

A.D. 1920.

Restrictions on Increase of Rent and Mortgage Interest.

Section

1. Restriction on increasing rent and mortgage interest.
2. Permitted increases in rent.
3. Limitation as to permitted increases in rent.
4. Permitted increase in rate of mortgage interest.

Further Restrictions and Obligations on Landlords and Mortgagees.

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SCHEDULES.

CHAPTER 17.

An Act to consolidate and amend the Law with respect to the increase of rent and recovery of possession of premises in certain cases, and the increase of the rate of interest on, and the calling in of securities on such premises, and for purposes in connection therewith.

[2nd July, 1920.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Restrictions on Increase of Rent and Mortgage Interest.

Restriction
on increasing
rent and
mortgage
interest. ♣

1. Subject to the provisions of this Act, where the rent of any dwelling-house to which this Act applies, or the rate of interest on a mortgage to which this Act applies, has been, since the twenty-fifth day of March nineteen hundred and twenty, or is hereafter, increased, then, if the increased rent or the increased rate of interest exceeds by more than the amount permitted under this Act the standard rent or standard rate of interest, the amount of such excess shall, notwithstanding any agreement to the contrary, be irrecoverable from the tenant or the mortgagor, as the case may be:

Provided that, where a landlord or mortgagee has increased the rent of any such dwelling-house or the rate of interest on any such mortgage since the said date, but before the passing of this Act, he may cancel such increase and repay any amount paid by virtue thereof, and in that case the rent or rate shall not be deemed to have been increased since that date.

Permitted
increases in
rent.

2.—(1) The amount by which the increased rent of a dwelling-house to which this Act applies may exceed the standard rent shall, subject to the provisions of this Act, be as follows, that is to say:—

- (a) Where the landlord has since the fourth day of August nineteen hundred and fourteen incurred, or hereafter incurs, expenditure on the improvement or structural alteration of the dwelling-house (not including expenditure on decoration or repairs), an amount calculated at a rate per annum not exceeding six, or, in the case of such expenditure incurred after the passing of this Act, eight per cent. of the amount so expended:

Provided that the tenant may apply to the county court for an order suspending or reducing such increase on the ground that such expenditure is or was unnecessary in whole or in part, and the court may make an order accordingly:

- (b) An amount not exceeding any increase in the amount for the time being payable by the landlord in respect of rates over the corresponding amount paid in respect of the yearly, half-yearly or other period which included the third day of August nineteen hundred and fourteen, or in the case of a dwelling-house for which

no rates were payable in respect of any period which included the said date, the period which included the date on which the rates first became payable thereafter :

- (c) In addition to any such amounts as aforesaid, an amount not exceeding fifteen per centum of the net rent :

Provided that, except in the case of a dwelling-house to which this Act applies but the enactments repealed by this Act did not apply, the amount of such addition shall not, during a period of one year after the passing of this Act, exceed five per cent. :

- (d) In further addition to any such amounts as aforesaid—
(i) where the landlord is responsible for the whole of the repairs, an amount not exceeding twenty-five per cent. of the net rent ; or

(ii) where the landlord is responsible for part and not the whole of the repairs, such lesser amount as may be agreed, or as may, on the application of the landlord or the tenant, be determined by the county court to be fair and reasonable having regard to such liability :

- (e) In the case of dwelling-houses let by a railway company to persons in the employment of the company, such additional amount, if any, as is required in order to give effect to the agreement dated the first day of March nineteen hundred and twenty, relating to the rates of pay and conditions of employment of certain persons in the employment of railway companies, or any agreement, whether made before or after the passing of this Act, extending or modifying that agreement.

(2) At any time or times, not being less than three months after the date of any increase permitted by paragraph (d) of the foregoing subsection, the tenant or the sanitary authority may apply to the county court for an order suspending such increase, and also any increase under paragraph (c) of that subsection, on the ground that the house is not in all respects reasonably fit for human habitation, or is otherwise not in a reasonable state of repair.

The court on being satisfied by the production of a certificate of the sanitary authority or otherwise that any such ground as aforesaid is established, and on being further satisfied that the condition of the house is not due to the tenant's neglect or default or breach of express agreement, shall order that the increase be suspended until the court is satisfied, on the report of the sanitary authority or otherwise, that the necessary repairs (other than the repairs, if any, for which the tenant is liable) have been executed, and on the making of such order the increase shall cease to have effect until the court is so satisfied.

(3) Any transfer to a tenant of any burden or liability previously borne by the landlord shall, for the purposes of this Act, be treated as an alteration of rent, and where, as the result of such a transfer, the terms on which a dwelling-house is held are on the whole less favourable to the tenant than the previous terms, the rent shall be deemed to be increased, whether or not the sum periodically payable by way of rent is increased, and any increase of rent in respect of any transfer to a landlord of any burden or liability previously borne by the tenant

where, as the result of such transfer, the terms on which any dwelling-house is held are on the whole not less favourable to the tenant than the previous terms, shall be deemed not to be an increase of rent for the purposes of this Act: Provided that, for the purposes of this section, the rent shall not be deemed to be increased where the liability for rates is transferred from the landlord to the tenant, if a corresponding reduction is made in the rent.

(4) On any application to a sanitary authority for a certificate or report under this section a fee of one shilling shall be payable, but, if the authority as the result of such application issues such a certificate as aforesaid, the tenant shall be entitled to deduct the fee from any subsequent payment of rent.

(5) For the purposes of this section, the expression "repairs" means any repairs required for the purpose of keeping premises in good and tenable repair, and any premises in such a state shall be deemed to be in a reasonable state of repair, and the landlord shall be deemed to be responsible for any repairs for which the tenant is under no express liability.

(6) Any question arising under subsection (1), (2) or (3) of this section shall be determined on the application either of the landlord or the tenant by the county court, and the decision of the court shall be final and conclusive.

Limitation as to permitted increases in rent.

3.—(1) Nothing in this Act shall be taken to authorize any increase of rent except in respect of a period during which but for this Act the landlord would be entitled to obtain possession, or any increase in the rate of interest on a mortgage except in respect of a period during which, but for this Act, the security could be enforced.

(2) Notwithstanding any agreement to the contrary, where the rent of any dwelling-house to which this Act applies is increased, no such increase shall be due or recoverable until or in respect of any period prior to the expiry of four clear weeks, or, where such increase is on account of an increase in rates, one clear week, after the landlord has served upon the tenant a valid notice in writing of his intention to increase the rent, which notice shall be in the form contained in the First Schedule to this Act, or in a form substantially to the same effect. If a notice served as aforesaid contains any statement or representation which is false or misleading in any material respect, the landlord shall be liable on summary conviction to a fine not exceeding ten pounds unless he proves that the statement was made innocently and without intent to deceive. Where a notice of an increase of rent which at the time was valid has been served on any tenant, the increase may be continued without service of any fresh notice on any subsequent tenant.

(3) A notice served before the passing of this Act of an intention to make any increase of rent which is permissible only by virtue of this Act shall not be deemed to be a valid notice for the purpose of this section.

Permitted increase in rate of mortgage interest.

4. The amount by which the increased rate of interest payable in respect of a mortgage to which this Act applies may exceed the standard rate, shall be an amount not exceeding one per cent. per annum:

Provided that—

(a) the rate shall not be increased so as to exceed six and a half per cent. per annum; and

- (b) except in the case of a dwelling-house to which this Act applies but the enactments repealed by this Act did not apply, the increase during a period of one year after the passing of this Act shall not exceed one-half per cent. per annum.

Further Restrictions and Obligations on Landlords and Mortgagees.

5.—(1) No order or judgment for the recovery of possession of any dwelling-house to which this Act applies, or for the ejection of a tenant therefrom, shall be made or given unless— Restriction on right to possession.

- (a) any rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy (whether under the contract of tenancy or under this Act) so far as the same is consistent with the provisions of this Act has been broken or not performed; or
- (b) the tenant or any person residing with him has been guilty of conduct which is a nuisance or annoyance to adjoining occupiers, or has been convicted of using the premises or allowing the premises to be used for an immoral or illegal purpose, or the condition of the dwelling-house has, in the opinion of the court, deteriorated owing to acts of waste by or the neglect or default of the tenant or any such person; or
- (c) the tenant has given notice to quit, and in consequence of that notice the landlord has contracted to sell or let the dwelling-house or has taken any other steps as a result of which he would, in the opinion of the court, be seriously prejudiced if he could not obtain possession; or
- (d) the dwelling-house is reasonably required by the landlord for occupation as a residence for himself, or for any person *bonâ fide* residing or to reside with him, or for some person in his whole-time employment or in the whole-time employment of some tenant from him, and (except as otherwise provided by this subsection) the court is satisfied that alternative accommodation, reasonably equivalent as regards rent and suitability in all respects, is available; or
- (e) the landlord is a local authority or a statutory undertaking and the dwelling-house is reasonably required for the purpose of the execution of the statutory duties or powers of the authority or undertaking, and the court is satisfied as aforesaid as respects alternative accommodation; or
- (f) the landlord became the landlord after service in any of His Majesty's forces during the war and requires the house for his personal occupation and offers the tenant accommodation on reasonable terms in the same dwelling-house, such accommodation being considered by the court as reasonably sufficient in the circumstances; or
- (g) the dwelling-house is required for occupation as a residence by a former tenant thereof who gave up occupation in consequence of his service in any of His Majesty's forces during the war;

and, in any such case as aforesaid, the court considers it reasonable to make such an order or give such judgment.

The existence of alternative accommodation shall not be a condition of an order or judgment on any of the grounds specified in paragraph (d) of this subsection—

- (i) where the tenant was in the employment of the landlord or a former landlord, and the dwelling-house was let to him in consequence of that employment and he has ceased to be in that employment; or
- (ii) where the court is satisfied by a certificate of the county agricultural committee, or of the Minister of Agriculture and Fisheries pending the formation of such committee, that the dwelling-house is required by the landlord for the occupation of a person engaged on work necessary for the proper working of an agricultural holding; or
- (iii) where the landlord gave up the occupation of the dwelling-house in consequence of his service in any of His Majesty's forces during the war; or
- (iv) where the landlord became the landlord before the thirtieth day of September nineteen hundred and seventeen, or, in the case of a dwelling-house to which section four of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1919, applied, became the landlord before the fifth day of March, nineteen hundred and nineteen, or in the case of a dwelling-house to which this Act applies but the enactments repealed by this Act did not apply, became the landlord before the twentieth day of May, nineteen hundred and twenty, and in the opinion of the court greater hardship would be caused by refusing an order for possession than by granting it.

(2) At the time of the application for or the making or giving of any order or judgment for the recovery of possession of any such dwelling-house, or for the ejection of a tenant therefrom, or in the case of any such order or judgment which has been made or given, whether before or after the passing of this Act, and not executed, at any subsequent time, the court may adjourn the application, or stay or suspend execution on any such order or judgment, or postpone the date of possession, for such period or periods as it thinks fit, and subject to such conditions (if any) in regard to payment by the tenant of arrears of rent, rent, or mesne profits and otherwise as the court thinks fit, and, if such conditions are complied with, the court may, if it thinks fit, discharge or rescind any such order or judgment.

(3) Where any order or judgment has been made or given before the passing of this Act, but not executed, and, in the opinion of the court, the order or judgment would not have been made or given if this Act had been in force at the time when such order or judgment was made or given, the court may, on application by the tenant, rescind or vary such order or judgment in such manner as the court may think fit for the purpose of giving effect to this Act.

(4) Notwithstanding anything in section one hundred and forty-three of the County Courts Act, 1888, or in section one of the Small Tenements Recovery Act, 1838, every warrant for delivery of possession of, or to enter and give possession of, any dwelling-house to which this Act applies, shall remain in force for three months from the day next after the last day named in the judgment or order for delivery of possession or

ejection, or, in the case of a warrant under the Small Tenements Recovery Act, 1838, from the date of the issue of the warrant, and in either case for such further period or periods, if any, as the court shall from time to time, whether before or after the expiration of such three months, direct.

(5) An order or judgment against a tenant for the recovery of possession of any dwelling-house or ejection therefrom under this section shall not affect the right of any sub-tenant to whom the premises or any part thereof have been lawfully sublet before proceedings for recovery of possession or ejection were commenced, to retain possession under this section, or be in any way operative against any such sub-tenant.

(6) Where a landlord has obtained an order or judgment for possession or ejection under this section on the ground that he requires a dwelling-house for his own occupation, and it is subsequently made to appear to the court that the order was obtained by misrepresentation or the concealment of material facts, the court may order the landlord to pay to the former tenant such sum as appears sufficient as compensation for damage or loss sustained by that tenant as the result of the order or judgment.

6. No distress for the rent of any dwelling-house to which this Act applies shall be levied except with the leave of the county court, and the court shall, with respect to any application for such leave, have the same or similar powers with respect to adjournment, stay, suspension, postponement and otherwise as are conferred by the last preceding section of this Act in relation to applications for the recovery of possession:

Restriction on levy of distress for rent.

Provided that this section shall not apply to distress levied under section one hundred and sixty of the County Courts Act, 1888.

The provisions of this section shall be in addition to and not in derogation of any of the provisions of the Courts (Emergency Powers) Act, 1914, or any Act amending or extending the same, except so far as those provisions are repealed by this Act.

7. It shall not be lawful for any mortgagee under a mortgage to which this Act applies, so long as—

Restriction on calling in of mortgages.

- (a) interest at the rate permitted under this Act is paid and is not more than twenty-one days in arrear; and
- (b) the covenants by the mortgagor (other than the covenant for the repayment of the principal money secured) are performed and observed; and
- (c) the mortgagor keeps the property in a proper state of repair and pays all interest and instalments of principal recoverable under any prior encumbrance,

to call in his mortgage or to take any steps for exercising any right of foreclosure or sale, or for otherwise enforcing his security or for recovering the principal money thereby secured:

Provided that—

- (i) this provision shall not apply to a mortgage where the principal money secured thereby is repayable by means of periodical instalments extending over a term of not less than ten years from the creation of the mortgage, nor shall this provision affect any power of sale exercisable by a mortgagee who was on the twenty-fifth day of March nineteen hundred and twenty a mortgagee in possession, or

in cases where the mortgagor consents to the exercise by the mortgagee of the powers conferred by the mortgage; and

- (ii) if, in the case of a mortgage of a leasehold interest, the mortgagee satisfies the county court that his security is seriously diminishing in value or is otherwise in jeopardy, and that for that reason it is reasonable that the mortgage should be called in and enforced, the court may by order authorize him to call in and enforce the same, and thereupon this section shall not apply to such mortgage; but any such order may be made subject to a condition that it shall not take effect if the mortgagor within such time as the court directs pays to the mortgagee such portion of the principal sum secured as appears to the court to correspond to the diminution of the security.

Restriction
on premiums.

8.—(1) A person shall not, as a condition of the grant, renewal, or continuance of a tenancy or sub-tenancy of any dwelling-house to which this Act applies, require the payment of any fine, premium, or other like sum, or the giving of any pecuniary consideration, in addition to the rent, and, where any such payment or consideration has been made or given in respect of any such dwelling-house under an agreement made after the twenty-fifth day of March nineteen hundred and twenty, the amount or value thereof shall be recoverable by the person by whom it was made or given:

Provided that, where any agreement has been made since the said date but before the passing of this Act for the tenancy of a house to which this Act applies, but the enactments repealed by this Act did not apply, and the agreement includes provision for the payment of any fine, premium, or other like sum, or the giving of any pecuniary consideration in addition to the rent, that agreement shall, without prejudice to the operation of this section, be voidable at the option of either party thereto.

(2) A person requiring any payment or the giving of any consideration in contravention of this section shall be liable on summary conviction to a fine not exceeding one hundred pounds, and the court by which he is convicted may order the amount paid or the value of the consideration to be repaid to the person by whom the same was made or given, but such order shall be in lieu of any other method of recovery prescribed by this Act.

(3) This section shall not apply to the grant, renewal or continuance for a term of fourteen years or upwards of any tenancy.

Limitation on
rent of houses
let furnished.

9.—(1) Where any person lets, or has, before the passing of this Act, let any dwelling-house to which this Act applies, or any part thereof, at a rent which includes payment in respect of the use of furniture, and it is proved to the satisfaction of the county court on the application of the lessee that the rent charged is yielding or will yield to the lessor a profit more than twenty-five per cent. in excess of the normal profit as hereinafter defined, the court may order that the rent, so far as it exceeds such sum as would yield such normal profit and twenty-five per cent. shall be irrecoverable, and that the amount of any payment of rent in excess of such sum which may have

been made in respect of any period after the passing of this Act, shall be repaid to the lessee.

(2) For the purpose of this section, "normal profit" means the profit which might reasonably have been expected from a similar letting in the year ending on the third day of August nineteen hundred and fourteen.

10. Where any person after the passing of this Act lets any dwelling-house to which this Act applies or any part thereof at a rent which includes payment in respect of the use of furniture, and the rent charged yields to the lessor a profit which, having regard to all the circumstances of the case, and in particular to the margin of profit allowed under the last preceding section of this Act, is extortionate, then, without prejudice to any other remedy under this Act, the lessor shall be liable on summary conviction to a fine not exceeding one hundred pounds, and the court by which he is convicted may order that the rent so far as it exceeds the amount permitted by the last preceding section of this Act shall be irrecoverable and that the amount of any such excess shall be repaid to the lessee, but any such order shall be in lieu of any other method of recovery prescribed by this Act.

Penalty for excessive charges for furnished lettings.

11. A landlord of any dwelling-house to which this Act applies shall, on being so requested in writing by the tenant of the dwelling-house, supply him with a statement in writing as to what is the standard rent of the dwelling-house, and if, without reasonable excuse, he fails within fourteen days to do so, or supplies a statement which is false in any material particular, he shall be liable on summary conviction to a fine not exceeding ten pounds.

Statement to be supplied as to standard rent.

Application and Interpretation of Act.

12.—(1) For the purposes of this Act, except where the context otherwise requires:—

Application and interpretation.

- (a) The expression "standard rent" means the rent at which the dwelling-house was let on the third day of August nineteen hundred and fourteen, or, where the dwelling-house was not let on that date, the rent at which it was last let before that date, or, in the case of a dwelling-house which was first let after the said third day of August, the rent at which it was first let:

Provided that, in the case of any dwelling-house let at a progressive rent payable under a tenancy agreement or lease, the maximum rent payable under such tenancy agreement or lease shall be the standard rent; and, where at the date by reference to which the standard rent is calculated, the rent was less than the rateable value the rateable value at that date shall be the standard rent;
- (b) The expression "standard rate of interest" means, in the case of a mortgage in force on the third day of August nineteen hundred and fourteen, the rate of interest payable at that date, or, in the case of a mortgage created since that date, the original rate of interest;
- (c) The expression "net rent" means, where the landlord at the time by reference to which the standard rent is calculated paid the rates chargeable on, or which but for the provisions of any Act would be chargeable on the occupier, the standard rent less the amount of such rates, and in any other case the standard rent;

- (d) The expression "rates" includes water rents and charges, and any increase in rates payable by a landlord shall be deemed to be payable by him until the rate is next demanded;
- (e) The expression "rateable value" means the rateable value on the third day of August nineteen hundred and fourteen, or, in the case of a dwelling-house or a part of dwelling-house first assessed after that date, the rateable value at which it was first assessed;
- (f) The expressions "landlord," "tenant," "mortgagee," and "mortgagor" include any person from time to time deriving title under the original landlord, tenant, mortgagee, or mortgagor;
- (g) The expression "landlord" also includes in relation to any dwelling-house any person, other than the tenant, who is or would but for this Act be entitled to possession of the dwelling-house, and the expressions "tenant and tenancy" include sub-tenant and sub-tenancy, and the expression "let" includes sub-let; and the expression "tenant" includes the widow of a tenant dying intestate who was residing with him at the time of his death, or, where a tenant dying intestate leaves no widow or is a woman, such member of the tenant's family so residing as aforesaid as may be decided in default of agreement by the county court;
- (h) The expression "mortgage" includes a land charge under the Land Transfer Acts, 1875 and 1897;
- (i) The expressions "statutory undertaking" and "statutory duties or powers" include any undertaking, duties or powers, established, imposed or exercised under any order having the force of an Act of Parliament.

(2) This Act shall apply to a house or a part of a house let as a separate dwelling, where either the annual amount of the standard rent or the rateable value does not exceed—

- (a) in the metropolitan police district, including therein the City of London, one hundred and five pounds;
- (b) in Scotland, ninety pounds; and
- (c) elsewhere, seventy-eight pounds;

and every such house or part of a house shall be deemed to be a dwelling-house to which this Act applies:

Provided that—

- (i) this Act shall not, save as otherwise expressly provided, apply to a dwelling-house bonâ fide let at a rent which includes payments in respect of board, attendance, or use of furniture; and
- (ii) the application of this Act to any house or part of a house shall not be excluded by reason only that part of the premises is used as a shop or office or for business, trade, or professional purposes; and
- (iii) for the purposes of this Act, any land or premises let together with a house shall, if the rateable value of the land or premises let separately would be less than one quarter of the rateable value of the house, be treated as part of the house, but, subject to this provision, this Act shall not apply to a house let together with land other than the site of the house.

(3) Where, for the purpose of determining the standard rent or rateable value of any dwelling-house to which this Act

applies, it is necessary to apportion the rent at the date in relation to which the standard rent is to be fixed, or the rateable value of the property in which that dwelling-house is comprised, the county court may, on application by either party, make such apportionment as seems just, and the decision of the court as to the amount to be apportioned to the dwelling-house shall be final and conclusive.

(4) Subject to the provisions of this Act, this Act shall apply to every mortgage where the mortgaged property consists of or comprises one or more dwelling-houses to which this Act applies, or any interest therein, except that it shall not apply—

- (a) to any mortgage comprising one or more dwelling-houses to which this Act applies and other land if the rateable value of such dwelling-houses is less than one-tenth of the rateable value of the whole of the land comprised in the mortgage; or
- (b) to an equitable charge by deposit of title deeds or otherwise; or
- (c) to any mortgage which is created after the passing of this Act.

(5) When a mortgage comprises one or more dwelling-houses to which this Act applies and other land, and the rateable value of such dwelling-houses is more than one-tenth of the rateable value of the whole of the land comprised in the mortgage, the mortgagee may apportion the principal money secured by the mortgage between such dwelling-houses and such other land by giving one calendar month's notice in writing to the mortgagor, such notice to state the particulars of such apportionment, and at the expiration of the said calendar month's notice this Act shall not apply to the mortgage so far as it relates to such other land, and for all purposes, including the mortgagor's right of redemption, the said mortgage shall operate as if it were a separate mortgage for the respective portions of the said principal money secured by the said dwelling-houses and such other land, respectively, to which such portions were apportioned:

Provided that the mortgagor shall, before the expiration of the said calendar month's notice, be entitled to dispute the amounts so apportioned as aforesaid, and in default of agreement the matter shall be determined by a single arbitrator appointed by the President of the Surveyors' Institution.

(6) Where this Act has become applicable to any dwelling-house or any mortgage thereon, it shall continue to apply thereto whether or not the dwelling-house continues to be one to which this Act applies.

(7) Where the rent payable in respect of any tenancy of any dwelling-house is less than two-thirds of the rateable value thereof, this Act shall not apply to that rent or tenancy nor to any mortgage by the landlord from whom the tenancy is held of his interest in the dwelling-house, and this Act shall apply in respect of such dwelling-house as if no such tenancy existed or ever had existed.

(8) Any rooms in a dwelling-house subject to a separate letting wholly or partly as a dwelling shall, for the purposes of this Act, be treated as a part of a dwelling-house let as a separate dwelling.

(9) This Act shall not apply to a dwelling-house erected after or in course of erection on the second day of April nineteen hundred and nineteen, or to any dwelling-house which has been since that date or was at that date being bonâ fide reconstructed by way of conversion into two or more separate and self-contained flats or tenements; but, for the purpose of any enactment relating to rating, the gross estimated rental or gross value of any such house to which this Act would have applied if it had been erected or so reconstructed before the third day of August nineteen hundred and fourteen, and let at that date, shall not exceed—

- (a) if the house forms part of a housing scheme to which section seven of the Housing, Town Planning, &c. Act, 1919, applies, the rent (exclusive of rates) charged by the local authority in respect of that house; and
- (b) in any other case the rent (exclusive of rates) which would have been charged by the local authority in respect of a similar house forming part of such a scheme as aforesaid.

(10) Where possession has been taken of any dwelling-houses by a Government department during the war, under the Defence of the Realm regulations, for the purpose of housing workmen, this Act shall apply to such houses as if the workmen in occupation thereof at the passing of this Act were in occupation as tenants of the landlords of such houses.

Application
to business
premises.

13.—(1) This Act shall apply to any premises used for business trade or professional purposes or for the public service as it applies to a dwelling-house, and as though references to "dwelling-house" "house" and "dwelling" included references to any such premises, but this Act in its application to such premises shall have effect subject to the following modifications:—

- (a) The following paragraph shall be substituted for paragraph (c) of subsection (1) of section two:
 - (c) In addition to any such amounts as aforesaid, an amount not exceeding thirty-five per centum of the net rent:
 - (b) The following paragraph shall be substituted for paragraph (d) of subsection (1) of section five:
 - (d) the premises are reasonably required by the landlord for business trade or professional purposes or for the public service, and (except as otherwise provided by this subsection) the court is satisfied that alternative accommodation, reasonably equivalent as regards rent and suitability in all respects, is available:
 - (c) The following paragraph shall be added after paragraph (g) of the same subsection:
 - (h) The premises are bonâ fide required for the purpose of a scheme of reconstruction or improvement which appears to the court to be desirable in the public interest:
 - (d) Paragraph (i) of the same subsection shall not apply:
 - (e) Sections nine and ten shall not apply.
- (2) The application of this Act to such premises as aforesaid shall not extend to a letting or tenancy in any market or fair

where the rent or conditions of tenancy are controlled or regulated by or in pursuance of any statute or charter.

(3) This section shall continue in force until the twenty-fourth day of June nineteen hundred and twenty-one.

General.

14.—(1) Where any sum has, whether before or after the passing of this Act, been paid on account of any rent or mortgage interest, being a sum which is by virtue of this Act, or any Act repealed by this Act, irrecoverable by the landlord or mortgagee, the sum so paid shall be recoverable from the landlord or mortgagee who received the payment or his legal personal representative by the tenant or mortgagor by whom it was paid, and any such sum, and any other sum which under this Act is recoverable by a tenant from a landlord or payable or repayable by a landlord to a tenant, may, without prejudice to any other method of recovery, be deducted by the tenant or mortgagor from any rent or interest payable by him to the landlord or mortgagee.

Recovery of sums made irrecoverable &c.

(2) If—

- (a) any person in any rent book or similar document makes an entry showing or purporting to show any tenant as being in arrear in respect of any sum which by virtue of any such Act is irrecoverable; or
- (b) where any such entry has, before the passing of this Act, been made by or on behalf of any landlord, the landlord, on being requested by or on behalf of the tenant so to do, refuses or neglects to cause the entry to be deleted within seven days,

that person or landlord shall, on summary conviction, be liable to a fine not exceeding ten pounds, unless he proves that he acted innocently and without intent to deceive.

15.—(1) A tenant who by virtue of the provisions of this Act retains possession of any dwelling-house to which this Act applies shall, so long as he retains possession, observe and be entitled to the benefit of all the terms and conditions of the original contract of tenancy, so far as the same are consistent with the provisions of this Act, and shall be entitled to give up possession of the dwelling-house only on giving such notice as would have been required under the original contract of tenancy, or, if no notice would have been so required, on giving not less than three months' notice:

Conditions of statutory tenancy.

Provided that, notwithstanding anything in the contract of tenancy, a landlord who obtains an order or judgment for the recovery of possession of the dwelling-house or for the ejection of a tenant retaining possession as aforesaid shall not be required to give any notice to quit to the tenant.

(2) Any tenant retaining possession as aforesaid shall not as a condition of giving up possession ask or receive the payment of any sum, or the giving of any other consideration, by any person other than the landlord, and any person acting in contravention of this provision shall be liable on summary conviction to a fine not exceeding one hundred pounds, and the court by which he was convicted may order any such payment or the value of any such consideration to be paid to the person by whom the same was made or given, but any such order shall be in lieu of any other method of recovery prescribed by this Act.

(3) Where the interest of a tenant of a dwelling-house to which this Act applies is determined, either as the result of an order or judgment for possession or ejection, or for any other reason, any sub-tenant to whom the premises or any part thereof have been lawfully sublet shall, subject to the provisions of this Act, be deemed to become the tenant of the landlord on the same terms as he would have held from the tenant if the tenancy had continued.

16.—(1) Section three of the Poor Rate Assessment and Collection Act, 1869, shall, except so far as it relates to the metropolis, have effect as though for the limits of value specified in that section there were substituted limits twenty-five per cent. in excess of the limits so specified, and that section and section four of the same Act shall have effect accordingly.

(2) It shall be deemed to be a condition of the tenancy of any dwelling-house to which this Act applies that the tenant shall afford to the landlord access thereto and all reasonable facilities for executing therein any repairs which the landlord is entitled to execute.

(3) Where the landlord of any dwelling-house to which this Act applies has served a notice to quit on a tenant, the acceptance of rent by the landlord for a period not exceeding three months from the expiration of the notice to quit shall not be deemed to prejudice any right to possession of such premises, and, if any order for possession is made, any payment of rent so accepted shall be treated as mesne profits.

Rules as to
procedure.

17.—(1) The Lord Chancellor may make such rules and give such directions as he thinks fit for the purpose of giving effect to this Act, and may, by those rules or directions, provide for any proceedings for the purposes of this Act being conducted so far as desirable in private and for the remission of any fees.

(2) A county court shall have jurisdiction to deal with any claim or other proceedings arising out of this Act or any of the provisions thereof, notwithstanding that by reason of the amount of claim or otherwise the case would not but for this provision be within the jurisdiction of a county court, and, if a person takes proceedings under this Act in the High Court which he could have taken in the county court, he shall not be entitled to recover any costs.

Application
to Scotland
and Ireland.

18.—(1) This Act shall apply to Scotland, subject to the following modifications:—

(a) "Mortgage" and "encumbrance" mean a heritable security including a security constituted by absolute disposition qualified by back bond or letter; "mortgagor" and "mortgagee" mean respectively the debtor and the creditor in a heritable security; "covenant" means obligation; "mortgaged property" means the heritable subject or subjects included in a heritable security; "rateable value" means yearly value according to the valuation roll; "rateable value on the third day of August nineteen hundred and fourteen" means yearly value according to the valuation roll for the year ending fifteenth day of May nineteen hundred and fifteen; "assessed" means entered in the valuation roll; "land" means lands and heritages; "rates" means assessments as defined in the House of Letting and Rating (Scotland) Act, 1911; "Lord

Chancellor" and "High Court" mean the Court of Session; "rules" means act of sederunt; "county court" means the sheriff court; "sanitary authority" means the local authority under the Public Health (Scotland) Act, 1897; "mesne profits" means profits; the Board of Agriculture for Scotland shall be substituted for the Minister of Agriculture and Fisheries; the twenty-eighth day of May shall be substituted for the twenty-fourth day of June; the reference to the county agricultural committee shall be construed as a reference to the body of persons constituted with respect to any area by the Board of Agriculture for Scotland under subsection (2) of section eleven of the Corn Production Act, 1917; references to levying distress shall be construed as references to doing diligence; the reference to the President of the Surveyors' Institution shall be construed as a reference to the Chairman of the Scottish Committee of the Surveyors' Institution; a reference to section five of the Housing, Town Planning, &c. (Scotland) Act, 1919, shall be substituted for a reference to section seven of the Housing, Town Planning, &c. Act, 1919; and a reference to section one of the House Letting and Rating (Scotland) Act, 1911, shall be substituted for a reference to section three of the Poor Rate Assessment and Collection Act, 1869:

- (b) Nothing in paragraph (b) of subsection (1) of the section of this Act relating to permitted increases in rent shall permit any increase in rent in respect of any increase after the year ending Whitsunday nineteen hundred and twenty in the amount of the rates payable by the landlord other than rates for which he is responsible under the House Letting and Rating (Scotland) Act, 1911:
 - (c) Paragraph (d) of subsection (1) of the section of this Act relating to application and interpretation shall not apply:
 - (d) Where any dwelling-house, to which the Acts repealed by this Act applied, is subject to a right of tenancy arising from a yearly contract or from tacit relocation, and ending at Whitsunday nineteen hundred and twenty-one, the year ending at the said term of Whitsunday shall be deemed to be a period during which, but for this Act, the landlord would be entitled to obtain possession of such dwelling-house.
- (2) This Act shall apply to Ireland subject to the following modifications:—
- (a) A reference to the Lord Chancellor of Ireland shall be substituted for the reference to the Lord Chancellor:
 - (b) A reference to section fifteen of the Summary Jurisdiction (Ireland) Act, 1851, shall be substituted for the reference to section one of the Small Tenements Recovery Act, 1838:
 - (c) The expression "mortgage" includes a charge by registered disposition under the local Registration of Title (Ireland) Act, 1891, and any notice of the apportionment of the principal money secured by a mortgage, if and when the notice becomes operative under this

Act, and the award of any arbitrator with reference to any such apportionment may be registered under the enactments relative to the registration of deeds or titles as the case requires :

- (d) The expression "rateable value" means the annual rateable value under the Irish Valuation Acts : Provided that, where part of a house let as a separate dwelling is not separately valued under those Acts, the Commissioner of Valuation and Boundary Surveyor may, on the application of the landlord or tenant, make such apportionment of the rateable value of the whole house as seems just, and his decision as to the amount to be apportioned to the part of the house shall be final and conclusive, and that amount shall be taken to be the rateable value of the part of the house for the purposes of this Act but not further or otherwise :
- (e) The following paragraph shall be substituted for paragraph (ii) of subsection (1) of section five of this Act :
- (ii) Where the court is satisfied that the dwelling-house is required by the landlord for the occupation of a person engaged on work necessary for the proper working of an agricultural holding : or
- (f) The following subsection shall be substituted for subsection (9) of section twelve of this Act :
- (9) This Act shall not apply to a dwelling-house erected after, or in course of erection on, the second day of April nineteen hundred and nineteen, or to any dwelling-house which has been since that date or was at that date being bonâ fide reconstructed by way of conversion into two or more separate and self-contained flats or tenements ; but the rateable value of any such dwelling-house to which this Act would have applied if it had been erected or so reconstructed before the said date shall be ascertained as though the rent for the purposes of section eleven of the Valuation (Ireland) Act, 1852, were the rent for which a similar dwelling-house might have been reasonably expected to let on the third day of August nineteen hundred and fourteen, the probable average annual cost of repairs, insurance, and other expenses (if any) necessary to maintain the dwelling-house in its actual state, and all rates, taxes, and public charges, if any (except tithe rent-charge), being paid by the tenant :
- (g) The medical officer of health of a dispensary district shall be substituted for the sanitary authority in section two of this Act and in the First Schedule thereto, and the issue of certificates and the payment of fees in connection with applications by tenants under the said section shall be subject to regulations to be made by the Local Government Board for Ireland :
- (h) This Act shall not apply to any dwelling-house provided by a local authority under the Labourers (Ireland) Acts, 1883 to 1919, or under any of those Acts.

Short title,
duration, and
repeal.

19.—(1) This Act may be cited as the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920.

(2) Except as otherwise provided, this Act shall continue in force until the twenty-fourth day of June nineteen hundred and twenty-three :

Provided that the expiration of this Act or any part thereof shall not render recoverable by a landlord any rent, interest or other sum which during the continuance thereof was irrecoverable, or affect the right of a tenant to recover any sum which during the continuance thereof was under this Act recoverable by him.

(3) The enactments mentioned in the Second Schedule to this Act are hereby repealed to the extent specified in the third column of that schedule :

Provided that, without prejudice to the operation of section thirty-eight of the Interpretation Act, 1889, nothing in this repeal shall render recoverable any sums which at the time of the passing of this Act were irrecoverable, or affect the validity of any order of a court, or any rules or directions made or given under any enactment repealed by this Act, all of which orders, rules, and directions if in force at the date of the passing of this Act shall have effect as if they were made or given under this Act, and any proceedings pending in any court at the date of the passing of this Act, under any enactment repealed by this Act, shall be deemed to have been commenced under this Act.

FORM OF NOTICE BY LANDLORD.INCREASE OF RENT AND MORTGAGE INTEREST
(RESTRICTIONS) ACT, 1920.

Date

To

Address of premises to which }
this notice refers . . . }

Take notice that I intend to increase the rent of £ s. d. per at present payable by you as tenant of the above-named premises by the amount of £ s. d. per

The increase is made up as follows:—

- (a) £ s. d. under paragraph (a) of subsection (1) of section two of the Act, being six [eight] per cent. on £ s. d. expended by me since [insert date] on improvements and structural alterations and consisting of *
- (b) £ s. d. under paragraph (b) of subsection (1) of section two of the Act, on account of an increase in the rates payable by me from £ s. d. per to £ s. d. per in respect of the premises.
- (c) £ s. d. under paragraph (c) of subsection (1) of section two of the Act, being per cent. on the net rent of the premises. The net rent is £ s. d. The standard rent is £ s. d.
- (d) £ s. d. under paragraph (d) of subsection (1) of section two of the Act, being per cent. on the net rent of the premises. The net rent is £ s. d. The standard rent is £ s. d.

The increase under head (b) will date from , being one clear week from the date of this notice, and the remaining increases from , being four clear weeks from the date of this notice.

† The increase under head (d) is on account of my responsibility for repairs, for no part [part only] of which are you under an express liability.

‡ At any time or times, not being less than three months after the day of 19 , you are entitled to apply to the county court for an order suspending the increases under heads (c) and (d) above if you consider that the premises are not in all respects reasonably fit for human habitation or otherwise not in a reasonable state of repair. You will be required to satisfy the county court, by a report of the sanitary authority or otherwise, that your application is well founded, and for this purpose you are entitled to apply to the sanitary authority for a certificate. A fee of one shilling is chargeable on any application for a certificate, but, if the certificate is granted, you can deduct this sum from your rent. The address of the sanitary authority is

Signed

Address

* Here state improvements and alterations effected.

† Where the tenant is under an express liability for part of the repairs, the increase under head (d) is to be settled in default of agreement by the county court.

‡ This paragraph need not be included if there is no increase under head (d).

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